



## Frequently Asked Questions regarding EXISTING Short-Term Rentals<sup>1</sup>

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In 2014, the Bend City Council responded to a request from several established neighborhoods to consider issues surrounding short term rentals. Council sought to balance neighborhood livability with private property rights and our tourism economy. On April 15, 2015, the City Council voted to adopt a new regulatory approach for permitting and licensing all Short Term Rentals.

As the property owner of an existing “Vacation Home Rental” permitted under the prior code, new City regulations apply to your property (Bend Development Code 3.6.500). It is your responsibility to follow these regulations in order to maintain your ability to use your property as a short term rental.

### ***Are Vacation Home Rentals and Short Term Rentals the same thing?***

Yes, the City Council decided to change the name of these types of uses to Short Term Rentals to be consistent with the industry definition and reflect that these dwellings are rented for purposes beyond vacations, including medical stays, relocations and contract work, among others. A Short-Term Rental is any dwelling unit or portion of a dwelling unit rented fewer than 30 days per tenant. The new regulations for Short Term Rentals will apply to existing Vacation Home Rentals, as noted below.

### ***What must I do to keep my existing Vacation Home Rental?***

Existing Vacation Home Rentals are now legal-conforming uses<sup>1</sup> and may continue to operate as long as three conditions are met:

- Property owners must use the property as a short-term rental at least once every 12 months.
- Property owners must obtain and maintain an annual operating license.
- The short term rental may not be enlarged, increased or extended to occupy a greater part of land or space than what existed as of April 15, 2015.<sup>2</sup>

### ***Will the Vacation Home Rental land use approval run with the land if I sell my property?***

Yes, for Vacation Home Rental applications submitted prior to April 15, 2015 and subsequently approved, the land use approval runs with the land. Legal non-conforming uses documented by the City with a letter also may continue after a sale or transfer to a new owner.

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<sup>1</sup> Vacation Home Rental applications submitted prior to April 15, 2015 and subsequently approved are now legal non-conforming uses; vacation home rentals that began operating prior to August 2006 are legal non-conforming uses only if they have been documented by the City with a letter. A Short Term Rental in operation that has not obtained land use approval, or that has not been documented as legal non-conforming use, may not continue without acquiring land use approval under the new regulations.

<sup>2</sup> This is a clarification of adopted code that is different from the previous May 2015 FAQ document.

### ***What if I submitted documentation to the City for a Vacation Room Rental?***

Vacation Room Rentals were not previously regulated by the City by the Development Code. However, the City did accept documentation for the short term rental of a single room in a single-family dwelling in order to register your property with the Finance Department for Transient Room Tax submission. These documented Vacation Room Rentals (now renamed Owner Occupied Short Term Rentals) are now considered legal non-conforming uses and may continue if you rent a room at least once every 12 months and obtain and maintain an annual operating license. When you apply for the initial annual operating license, the City will review your application for adequate parking (1 parking space per bedroom). Vacation room rentals that did not submit documentation and/or have not been reviewed for compliance with Development Code regulations will be reviewed on a case by case basis as to whether it is a legal nonconforming use or you need to submit an application for land use approval for your Owner Occupied Short Term Rental.

### ***What are the deadlines for showing proof of use as a Short Term Rental?***

- If you have not yet begun using your property as a short-term rental, you must rent the dwelling unit as a short-term rental by September 1, 2016 (to show you have initiated the use). Once you have initiated the use, you must use your Short Term Rental at least once every 12 months in order to not abandon the non-conforming use. You must demonstrate this every year as part of your operating license renewal.
- If you received your land use approval prior to September 1, 2014 and initiated the use as a Short Term Rental prior to September 1, 2014, you must use your property as a short term rental at least one night between September 1, 2014 and September 1, 2015 (to show you have not abandoned the use for more than 12 months).
- If you submitted your land use application between September 1, 2014 and April 15, 2015 and it was subsequently approved, you will not have had 12 months of potential operation by September 1, 2015, so you will be required to use your property as a short term rental by September 1, 2016.

If you do not use your property as a Short Term Rental by these deadlines, your land use approval will be **void** and the dwelling may no longer be used as a Short Term Rental unless you obtain a new land use approval under the new regulations.

### ***How do I show proof of use as a Short Term Rental?***

If you use your property as a Short Term Rental for 30 days or more in a 12 month period, you will be collecting and submitting Transient Room Tax (Bend Code 12.05), which is the primary proof of use. If you rent your property fewer than 30 days in a 12 month period, you will need to provide alternative documentation of proof of use, such as a rental receipt or a rental contract.

### ***Why can't I increase the size of my home if it is an existing Short Term Rental?***

With adoption of these new Short Term Rental regulations, permitted or documented existing Vacation Home Rentals are now considered legal non-conforming uses. This means that you may continue to utilize the dwelling as a Short Term Rental, but you cannot expand the use. Legal non-conforming Short Term Rentals may not be enlarged, increased

or extended to occupy a greater part of land or space than what existed as of April 15, 2015. If you want to increase the size of an existing Short Term Rental<sup>1</sup>, you will need to obtain a new land use approval under the new regulations.

### ***What is the Short Term Rental Operating License?***

The Short-Term Rental annual operating license is a new program that governs how short-term rental properties are managed and operated (Bend Code 7.16). Each house, apartment or dwelling requires its own operating license. As of September 1, 2015, you must submit an application for a Short Term Rental Operating License.

Please note that the Short-Term Rental annual operating license is not the same as a City business license; having a City business license does not exempt you from needing a Short-Term Rental annual operating license. As with other licenses, the operating license is specific to the owner(s) and is not transferable upon sale or transfer of the property.

### ***What are the deadlines for this new operating license program?***

The Short-Term Rental annual operating license program goes into effect on July 3, 2015. There is a 60-day filing period to apply for your annual operating license, which means that you must file your license application **no later than September 1, 2015**. If you miss this deadline, you will receive a notice of expiration and have 30 days to respond and apply with an additional late fee.

If you do not submit an application for an operating license by these deadlines, you may not operate the dwelling as a Short Term Rental and the **existing land use approval will be void**. To continue to operate as a Short Term Rental after expiration of your Short Term Rental operating license (or after you missed the deadline), you must apply for a new land use approval and a new operating license.

In subsequent years, you will receive a 60-day renewal notice prior to the date of the annual operating license expiration.

### ***How much is the annual operating license?***

The annual operating license fee is based on the cost of administering and enforcing the Short Term Rental program on an annual basis. It is the City's policy that a program such as this is self-funded, which means it does not receive funding from the City's general fund. The initial fee for a Short Term Rental operating license is \$275; the annual renewal fee is \$200.

### ***How do I find out more?***

It is your responsibility to review, understand and follow these regulations. The full regulatory documents are available online at <http://www.bendoregon.gov/vacationrentals> and available for review at City Hall, 710 NW Wall St, Bend, OR.

If you have questions regarding the land use permitting requirements, please contact the Planning Division at 541-388-5580 ext 3 or [bendcdd@bendoregon.gov](mailto:bendcdd@bendoregon.gov). For questions regarding the licensing program, please contact Lorelei Williams, Program Coordinator, at 541-323-8565 or [lwilliams@bendoregon.gov](mailto:lwilliams@bendoregon.gov).